

Durham Convention Center Authority meeting

Tuesday, May 19, 2009

8:00 am

The meeting was called to order at 8:00am with the following members present:

Authority: Rob VanDewoestine, Al Bass, Patrick Byker, Billy Ruffin, and Robert Sinclair. *Owners:* Harmon Crutchfield, Sharon DeShazo, Mícheál Lynch, Joel V. Reitzer, and Drew Cummings. *Management Company:* Bob Spraker, Alfrado Garner, Joseph Hofmann, and Wendy Jeffries.

Motion of approval for April 21, 2009 minutes moved by Billy Ruffin, seconded by Patrick Byker, voted and agreed upon by all.

Open Issues:

- Phase II Capital Project Timeline
- Set Phase II meeting for the Capital Project Steering committee
- Phase II detailed scope of work and costs
- Shaner will prepare a report on the pros/cons of the convention center owning audio visual equipment.
- *Note:* Update to marketing plan will be reviewed during the fall.

Meeting Summary:

- The Fuqua Study revealed a need to form a website featuring the convention center. The website committee consists of Rosemarie Kitchin, Drew Cummings, Wendy Jeffries and Joseph Hofmann. They will look at how the website will be implemented and what criteria Raleigh uses.
- All agreed on the mission statement created by the Fuqua students and will continue to discuss the key performance indicators which separate the mission into three segments: economic and community development, convention and meeting services and cost to Durham citizens. Minutes from that meeting are available upon request.

Preventive maintenance procedures for Phase I Capital Projects:

- **HVAC Equipment**
 - General Service's facilities staff is scheduled to meet with Shaner and Comfort Engineers to review the full scope of the preventive maintenance contract on May 21, 2009. Staff will be looking for answers regarding:
 - What Comfort Engineers will be doing and how often
 - Consequences if equipment is not properly maintained
 - Do we have and need extended warranties and what do they cover
 - How inclusive is the agreement
 - Will the agreement cover all new and existing HVAC components
 - Will Comfort Engineers recommend planned replacements of components

In addition, the design team has been asked to review the contract.

Current Project – Phase I (FY05-06 funds)

Additional scope was incurred following occupation to resolve fluctuations to the incoming electric supply and for new ballroom thermostats. Several close-out issues are being tracked by the Architect/Engineers and the CM@R which include CFL can lamps, RTU #03 freeze-failure and an imbalance in the existing chilled water system. The evaluation from the designers did not find fault regarding the freeze-failure incident. Staff is recommending an independent investigation using a vendor from an on-call list recommended by the City of Durham. The project is working with Comfort Engineers regarding an efficient balancing system due to a thick substance found in the HVAC system. General Service's staff may need to address this issue in phase II.

Proposed New Project - Phase II (FY08-09 funds)

The proposed fees for the Architect/Engineers and CM@R have been confirmed for County budget's review of design costs. Funding approval by City Council is now anticipated on May 18. The approval process for both the architect/engineers and CM@R contract amendments is anticipated by August 18. Proposed approval for City Capital Projects is anticipated by June 15, 2009.

Shaner added a heating system for the kitchen area to phase II of the project.

Project Budget

Project Total	Projected at \$6,115,031.00
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Project Expenditures		City & County 50% Cost Share
Design phase		
A/E design contract	\$599,994.00	
Owners design contingency	\$59,999.00	
CM@R pre-construction contract	Projected at \$109,125.00	
Owners pre-construction contingency	Projected at \$10,913.00	
Sub-total for design.	Projected at \$780,031.00	Projected at \$390,015.50
Construction phase		
Balance from design phase	Projected at \$395,969.00	
CM@R GMP contract	Projected at \$4,850,000.00	
Owners construction contingency	Projected at \$485,000.00	

Sub-total for construction.	Projected at \$5,335,000.00	Projected at \$2,667,500.00
Project Total.	Projected at \$6,115,031.00	Projected at \$3,057,515.50

Design Phase – 6 months

The steering committee will decide on the final scope priorities based on priorities identified by the design team. The committee is comprised of;

- (Owners) City and County Mícheál Lynch and Drew Cummings
- Shaner Dick Brezinski, and Wendy Jeffries
- Architect/Engineer Clay Clayton and Glenn Key
- CM@R Skanska Project Management

During the design phase the CM@R will develop a construction schedule and consult with project management and Shaner for any business shutdowns which may be required.

Construction Phase – schedule to be determined

The CM@R issues a Guaranteed Maximum Price developed from the acceptable bid, which then becomes the basis for their construction phase contract.

Management Company update:

April revenues exceeded the forecast by \$3,259 but came in under budget by \$29,241. The increase over forecast is due to success with Fullframe. Bonuses and salary increases were foregone to reduce administrative expenses. Expenses increased due to an \$8,000 workers compensation allocation. Sales were down, but expenses made up for 50%. The absence of workers compensation would have taken the flow through (50%) even further. The current end-of-year deficit at \$356,819 continues to be reduced by an additional \$4,360 from last month. Total revenue produced \$148,259 through 28 events. The sales team actively pursued 628 prospective events. The facility is presently taking 19% of business from the competitors.

Agenda for next meeting

- Clarification of Phase II cost
- Continue Fuqua Study Review
- Status of new management agreement